

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 101 - SB 136**

February 4, 2013

**SUMMARY OF BILL:** Increases, from \$100,000 to \$500,000, the revenue and debt thresholds for municipalities required to employ an individual who meets the continuing education requirements of Tenn. Code Ann. § 6-56-402. Removes the requirement that such municipalities contract with a certified municipal finance officer (CMFO). Adds minimum qualification requirements and establishes cause for revocation of a CMFO designation. Requires municipalities to employ a CMFO or other qualified individual pursuant to Tenn. Code Ann. § 6-56-402 (a) within two years of their revenue and debt threshold increasing beyond \$500,000.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Expenditures – Net Impact – Exceeds \$10,000/Permissive**

Assumptions:

- According to the Comptroller, local expenditures should decrease because the impacted municipalities will no longer have to contract with a CMFO or other qualified individual. Instead, other employees will be required to meet the continuing education requirements. Although there is a cost for continuing education, such costs should be less than the costs of contracting with a CMFO or other qualified individual.
- Due to a number of unknown factors, including but not limited to, the number of qualifying municipalities who currently contract with or employ a CMFO, the extent of compensation and benefits paid to such individuals, and the extent to which other local employees will be utilized as a result of this bill, a precise fiscal estimate for this bill is difficult. However, the net recurring decrease in local government expenditures is reasonably estimated to exceed \$10,000 per year statewide. Any such decrease in local expenditures will be permissive.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jrh